Research Proposal of the Thesis Entitled

Study of Travel Agents in Promoting Tourism through International Outbound Travel: A Study in Mumbai & Ahmedabad

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by

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Introduction

One of the most important factors that brings humans closer to each other is tourism. People from different cultures are exposed to each other when they travel to each other's countries. In this entire process, there develops a deep understanding of each other's cultures and conditions, which leads to better understanding between humans.

The travel agent from India has always played a very big role when it came to outbound tourism. The reason for that has been that when you're traveling international, you really need a lot of services including foreign exchange, visas, processing of documents, getting the best hotels and flight rates, which can be a cumbersome process for an individual. Hence it was very interesting to see how the role of travel agent has shaped up outbound tourism from India in the pre COVID and also during the COVID times. Also, the researcher will look at making suggestions in terms of how government and industry bodies can help these travel agents in the post COVID times to make sure that their business continues or rather grows in the times to come. Also, certain recommendations have been made for travel agents to grow their business in these fast-changing times; specially in the backdrop of rapidly changing technological and geopolitical scenario.

The World Tourism Organization (2019) states in its report that tourism is "the world's number one international trade in services", representing 40 percent of world trade in services and 6 percent cent of total world trade. The tourism industry directly provides approximately 3 percent global employment, or 192 million jobs – equivalent to one in every twelve jobs in the country formal sector. In developing countries like India, tourism has become one of the major industries, contributes to a large part of the national income and creates huge job opportunities. It has become the fastest growing service sector in the country with great potential for its further expansion and diversification.

A report by the World Tourism Organization (2019) states that an exceptional number of individuals are traveling worldwide, and these numbers are expected to grow, with global occurrences rising from 25 million in the 1950s to 1.2 billion in 2016 and to 1, 8 billion by

2030. After outpacing the global economy for the 6th consecutive year (2016 data), the industry has proven resilient to both geopolitical vulnerability and currency unpredictability. Tourism represents 10% of the global GDP and 10% of the occupations on the planet. Entrepreneurship in tourism should be a need for nations around the world due to its ability to make a real impact on the lives of individuals by driving development, making occupations, reducing neediness, and cultivating improvement and resilience.

Review of Literature

- Claxton (1989) In his study “Travel, tourism and Hospitality research-a handbook for managers and researchers” focussed on “destination attributes” i.e., assigning utility values to different "units" of the destination alternative. These components are collectively referred to as "destination attributes." The tourist’s mind is made up of a number of attributes due to perceived needs and desires in connection with a given destination, constraints to fulfil and data collected during the selection of destination. Every attribute in this package has been assigned a positive or negative utility value. Claxton emphasised that a measurement scale should be developed to structure an individual's perceived attributes and utilities so that the utility values associated with each attribute can be assessed. This preferential scale is used to create an alternative selection procedure combined with a decision criterion. The more attributes an alternative with high utility values is more likely it is to be selected as a preferred choice destination.
- Kaynak & Kucukemiroglu (1993) in their research “Foreign Vacation Selection Process in an Oriental Culture” investigated the outbound travel destinations and activities using a sample size of 206 respondents residing in the Hong Kong Region. Their research was the first to look at the outbound travel trends for Hong Kong residents. They discovered the variations in sociodemographic and behavioural features between first-time tourists and returning guests.
- Armstrong & Mok (1995) in their research “Leisure Travel Destination Choice Criteria of Hong Kong Residents” stated in their study that the security aspect is the most important factor when choosing a destination. Besides that, the other important factors for destination selection are scenic scenery, entertainment quotient, nightlife and even amicable environment.

- Dwyer et al. (2000) in their research “The Price Competitiveness of Travel and Tourism: a comparison of nineteen destinations, Tourism Management” studied on the impact of prices on the attractiveness of a destination in terms of inbound tourism flows. Prices, on the other hand, play a more complex role in determining the attractiveness of a destination. A country's PCI (Price Competitiveness Index) affects global and, more specifically, individual tourism flows. The study pointed out an increase in this indicator means that the market competitiveness of the destination is eroding. While a high PCI means that foreign tourists are not able to visit the destination more expensively, it also shows that the destination would generate outbound tourism more likely. The result explained that the best interest for a destination is based on price competitiveness index of destination and managers should add to their list of primary success indicators due to the ease with which PCIs can be measured for home and origin markets.
- Maulana & Smith (2000) in their research “Maulana, Hamid and Ginger Smith, Tourism as International Relations: Linkages between Telecommunications, Technology and Transnational Bank” have pointed out that the Central government plays a key role in international tourism infrastructure through the establishment of a relevant tourism policy. Pioneered a systematic approach to the study of travel and tourism, which included five elements such as Marketing, attractions, services and facilities, transport and knowledge promotion in the tourism system.
- Wong & Lau (2001) in their study “Understanding the Behaviour of Hong Kong Chinese Tourists on Group Tour Packages” revealed that travelling in groups, remaining safe while traveling, and engaging in self-paid activities were all priorities for Hong Kong leisure travellers. According to that study, leisure travellers can be classified as near psychocentric, referring to travellers looking for warmth, a familiar environment and behavioural levels. They related this characteristic to the preference of Hong Kong leisure travellers for group travel. Different destinations are chosen depending on the cultural context of the visitors.
- Zhang et.al (2004) emphasised that in response to a preference for a particular destination, travel marketers may adopt a focus strategy or multiple segmentation strategies. By addressing the niche needs of a particular customer community, a focus approach aims to develop a competitive advantage and a market position. A focus approach is used when a company considers a particular target audience it can cater

to. The tour operator targeted a subset of the total market with an attractively priced travel package by following a focus strategy in the Hong Kong outbound traveling industry with a number of precepted critical attributes. The study analysed the relation between the preferences and demographic characteristics of Hong Kong residents. It was found that protection is the primary concern for residents of Hong Kong when selecting a destination. In addition, ethnic inequalities have been shown to lead to differential preferences for destination attributes. Effective management of tourism resources includes appreciation of travellers through choice of destinations. The majority of marketing activities related to a tourist destination are designed to improve the destination and persuade tourists to visit.

- Indira (2005) discussed in her study that the Indian tourist are seen all over the world, tourist places like, London, China, Dubai, Australia, Bangkok etc. She tried to explain that there is no relation between the distance of destination and expenses incurred for savvy Indian vacationers. Based on the data 5.3 million Indian people has travelled in 2003, and 6.2 million in 2004 and industry were estimated that in 2005 there were 7.5 million were travel to abroad, and it was expected that 15 million people will travel in abroad by year 2010. Her study emphasised that the higher income level, changing mind-set of people, lowering the Airfares, discount on hotels; people are also motivated by the Bollywood film industry as lots of movie shooting is happening in abroad are the reasons behind boosting of outbound travel industry. People started traveling to abroad rather than within India.
- Choi & Sirakaya (2005) in their study "Measuring residents' attitude toward sustainable tourism: Development of sustainable tourism attitude scale" Developed and tested innovative systems, new scales, and measuring tools to find out paradigm change towards sustainability that is closer to the knowledge-based and public outreach channel. This analysis made two significant contributions. First, it included a diversified history set to predict spending on tourism, which helped to explain the dynamics of OTE (on-target earnings). It also argued that the volatility of the OTE is compounded by the heterogeneous ties between economic and non-economic backgrounds.
- Kim et. al (2005) in their study "Preference and Positioning Analyses of Overseas Destinations by Mainland Chinese Outbound Pleasure Tourists" Outbound demand for tourism is projected to expand from mainland China to Australia and Germany.

However, the Chinese continental respondents rated Thailand, Japan and South Korea last in terms of the beautiful scenery. This results in these countries lacking the consistency of beautiful landscapes. As a result, mainland Chinese tourists could overlook Thailand, Japan and South Korea because of their lack of scenic beauty, while Mainland Chinese interviewees highly valued this attribute. According to the results of a Preference Survey, Japan, South Korea and Thailand were the most successful destination countries in the selection community. Because of their "simple travel schedule, good shopping opportunities, low cost of travel, well equipped tourism facilities, great leisure and entertainment facilities, and a degree of economic growth," Japan, South Korea and Singapore were considered appropriate destinations. Meanwhile, in terms of these characteristics, Egypt was considered to be the least suitable target country with the results showing that Australia and Germany are also weak in these regions. Singapore is, according to continental Chinese respondents, the most favoured country in terms of weather and stability. In terms of favourable weather and safety, Japan, South Korea, Germany and Australia all have relative strengths in both regions, whereas the least or least suitable destination countries were Egypt and Thailand.

- Beritelli & Boksberger (2005) in their study “Activity-based market segmentation: a behavioural approach” listed 74 activities (39 and 35 related non-sports) which were used to split the general population of Swiss travel into six clusters. They have analysed that the natural tourism studies, usually involve a large number of outside activities such as camping, walking, fishing and hunting; tourism studies focus on sunbathing, beach lying, and sporting activities and tourism studies focusing on cultural activities, museums. On the other hand, the study seems to have not impacted few habits (such as shopping and visits to the museums).
- World Travel and Tourism Council (2006) study showed Scholars were interested in outbound tourism studies in India due to the country's expanding middle class. The country's outbound tourism is expanding despite the global financial crisis. By 2020, India's outbound travel will have risen to 50 million. (Tour Australia) India is the world's second fastest growing outbound market after China. In terms of percentages, India is the top destination for US outbound tourism, accounting for 30% of total outbound expenditure. The presence of over 60 foreign countries with tourist promotion bureaus in India has encouraged Indians to visit. In the 2017 Travel &

Tourism Competitiveness Index, India rose from 52nd to 40th rank. The rise of the middle class would enhance tourism. Thus, India's tourist sector has huge potential. Indians will relocate due to the tremendous global boom and continued economic progress. More countries would fight on price to gain a portion of the vast Indian market. Globally, India has emerged as a prominent tourism market.

- Henkel (2006, July 31) in his study “Thailand as a Tourist Destination: Perceptions of International Visitors and Thai Residents” examined the perceptions of international visitors and residents of Thailand as a tourist destination. International tourists and Thai residents were asked how they felt about the picture of Thailand. According to the report, cultural sightseeing, friendly people and food are important factors for the Thai residents and foreign visitors in Thailand, where international visitors place a higher value on nightlife and entertainment than Thai residents. According to the UN, developing countries are keen to expand foreign investment and tourism revenue (UN Talks, 1999). The tourism industry therefore plays a vital role in Thailand's economy. "Thailand has been put by the Thai Tourist Authority (TAT) as a cultural, natural and historic destination." The TAT sends a message by trying to promote Thai culture and the country's uniqueness by using its culture and unique features as a sustainable tourism product.
- Zhang (2009) in his study “The motivations, constraints and decision-making of Beijing outbound tourist” People have different tastes and perceptions for their holidays, and they need to pay in advance without knowing whether the trip is fun or not. Choosing a destination is always a difficult option. Indians took around 9 million international trips (Tourism Australia, 2012, and the number expected to rise to about 50 million by 2020.
- Ariffin & Hasim (2009) in their study “Marketing Malaysia to the Middle East tourists: Towards a preferred inter-regional destination” stated that this paper also addressed the outbound tourism trends in the area as well as the marketing efforts of Malaysian tourism players to draw Middle East tourists. The marketing campaigns in Malaysia have been mainly about tourism products and services in the Klong Valley district, and tourism operators in other parts of the world remain far from being regarded as "Arab Tourist friendly." The emphasis of Malaysian marketing should be the capture of off-road travel from Saudi Arabia and the United Arab Emirates, the development of unique youth-oriented tourism products, the extension of air

connections between major tourist cities in Malaysia and Middle East, the full use of internet media and promotions, and the encouragement of Arabs to buy time-share holidays. To accept that Middle East visitors are highly demanding, expect a high level of service and it is important to make books very late. Malaysia should concentrate marketing effort on Saudi Arabia and the United Arab Emirates, the two most lucrative markets, as well as enhancing air connectivity between the two countries and Malaysia. Malaysia should begin to encourage Arab citizens to buy houses, holiday homes and other property in the area. This strategy would help Malaysia attract and maintain large numbers of tourists from the Middle East.

- Singapore Tourism Board (2017) Many countries have effective marketing campaigns designed to advance their destinations, but still have to develop consistent brands that represent both countries and destinations. The Singapore Economic Board and the Singapore Tourism Council worked together to launch Passion Made Possible to create a genuine image of the country as a global hub for tourism and industry. The ethos and mindset of Singapore are said to be incarnated by the brand: a love-driven spirit of ambition and company that always looks for new opportunities and reinvention.
- Indian Brand Equity Foundation (2017) in their study "Tourism and Hospitality" India is still a major factor in its overall competitiveness, with its large natural and cultural resources and favourable pricing. However, the cultural assets of the nation are underused, with over 600,000 villages with their different cultures and histories to provide the passengers with unique experiences.
- Misrahi (2017) There is a fantastic opportunity in India for boosting aviation, tour and travel industry as India is having incredible natural beauty and a unique culture heritage and diversity. India requires proper investment plan to provide employment, improving education and infrastructure, Reformation, Perform and Transformation needed. On the other hand, European and North American markets are keep growing and the largest country considering Africa, Asia-Pacific and Middle East.
- Khan et.al (2017) in their study "Travel and tourism competitiveness index: The impact of air transportation, railways transportation, travel and transport services on international inbound and outbound tourism" Estimates of the impulse response function for incoming and outgoing tourism index and discovered a positive shock to the incoming tourist index by cargo, rail freight transported goods, rail passengers

transported, open trade and travel service, and a negative shock to passengers carried and transportation services. The results of the research demonstrated that air transport is substantially linked to the tourism index inbound and outbound, whereas rail freight is increased along with the increasing tourism incoming index. The causality of the transportation-to-tourism index relationship confirms the feedback relationships between an inbound tourist index and air transport, passengers on the roads, travel and transport services, but unidirectional causes exist between an inbound index, passengers on the railways and air freight and travel services.

- Hall (2018, June 18) in his study "International sanctions, tourism destinations and resistive economy" examined the coping methods employed by countries with several levels of government. The study examines countries that have been subjected to multilateral economic and political sanctions, as well as the role of tourism in these endeavours. It proposes the concept of resilient economies as an implicit policy response to sanctions, using Iran as an example. Significantly, it is simpler to maintain narrative credibility in the effective use of sanctions as an instrument of external policy for sanctioned nation regimes with minimal linkages to states and organizations.

Problem Definition

A lot of research has been done in the field of domestic travel & tourism. In my research journey so far, I have come across many thesis & research papers that have focused on specific geographies in India e.g., Kerala, Rajasthan, Vijaywada etc. On the other hand, there has also been a lot of work done in the past that is focused on outbound tourism from different countries like UK, USA, China, Japan, Saudi Arabia etc.

However, a need was felt to do detailed research on outbound tourism from India. And when we talk about outbound tourism; the travel agent emerges as one of the biggest elements. Also, there is an increased need for research in view of making suggestions for post-Covid recovery of outbound tourism.

Research Questions

1. What are the factors that have led to an increase in international outbound travel from India (with special focus from the 2 key centers of Mumbai & Ahmedabad)?
2. Which are the various travel segments that contribute to outbound tourism & the importance of various factors for each segment?
3. What are the different types of travel agents in Mumbai & Ahmedabad and the top outbound destinations that they sell?
4. What is the impact of Covid on travel agents' bookings
5. What are the major challenges faced by travel agents because of the Covid-19 pandemic?
6. What are the reasons for travellers to book international outbound travel through travel agents; instead of booking directly themselves?
7. What are the expectations of travel agents in terms of support needed from different stakeholders?

Hypothesis

Hypothesis 1

H0: Factors influencing increase in outbound travel and purpose of travel are independent

H1: Factors influencing increase in outbound travel and purpose of travel are not independent

Hypothesis 2

H0: There is no impact of Covid-19 on Outbound Tourism

H1: There is impact of Covid-19 on Outbound Tourism

Hypothesis 3

H0: Factors responsible for booking tickets through agents instead of self for international travel are independent

H1: Factors responsible for booking tickets through agents instead of self for international travel are not independent

Research Methodology

Questionnaire & Survey method; by meeting travel agents in their offices. Also, in few cases where meeting in offices was not possible; using online video platforms like Zoom to conduct face-to-face questionnaire survey.

The use of a questionnaire which consists of certain applicable questions related to the topic. The relevant Sampling approach will be used to acquire data for this research and possible answers were given by the respondents.

Hypothesis will be tested using the relevant tests like Chi-Square, T-Test, ANOVA etc. The test results will form a vital component when the researcher does the analysis & conclusions.

TRAVEL AGENT PROFILE: While some of the travel agents that we will go to in this study may also be dealing with some local tourism, we assume that majority of their business comes from outbound tourism and hence their responses will **not** be weighted based on the proportion of their business from outbound vs local tourism.

Expected Outcome

There was a great increase in international outbound travel from Mumbai & Ahmedabad in the pre-pandemic time and there is already a sharp recovery trend from these cities post-pandemic. Travel agents have played a very big role in this growth. The idea will also be to understand how travel agents have evolved their business processes to ensure that they are able to either create or meet the needs of the traveller. These insights can have a significant commercial value for different stakeholders like:

1. Travel agents in India who can understand how to scale up their operations to increase their revenues. New entrants in the international outbound travel agency market who can capitalize in the insights provided.
2. International tourism boards and companies who want to increase their market share from the international outbound travel market from Mumbai & Ahmedabad.
3. Travel companies & Indian tourism bodies can get some insights from this research and make new strategies to increase India's domestic tourism also.
4. Tourism marketing companies who can create new products and services to cater to this lucrative travel segment.
5. Researchers in the future can take this research as a reference and build on it to get into other dimensions of outbound tourism.

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